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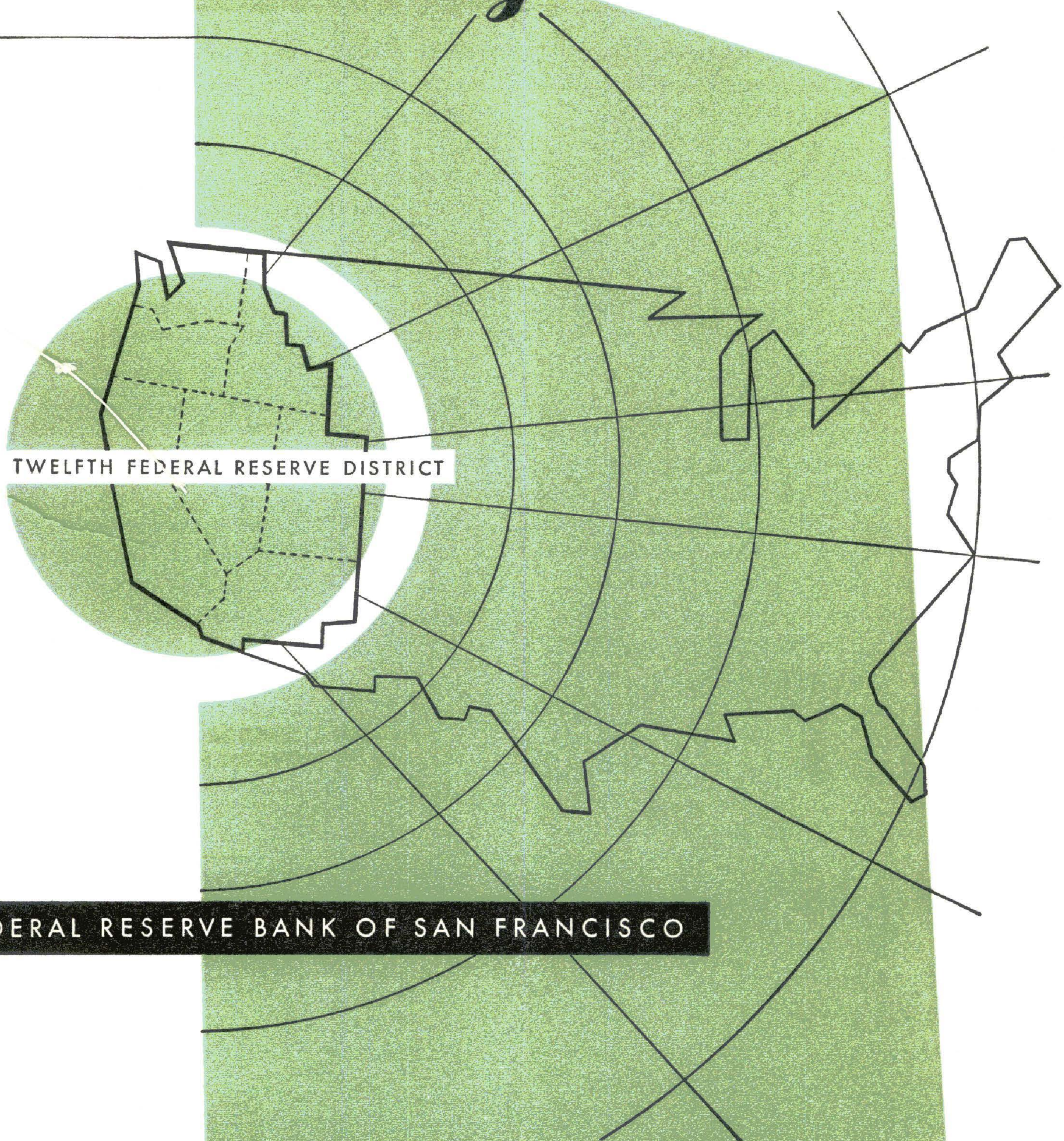
Monthly Review



FEDERAL RESERVE BANK OF SAN FRANCISCO

July 1958

BANKS AND BORROWERS DURING THE BOOM, 1955-57

In order to provide information on bank loans made for commercial and industrial purposes, the Federal Reserve System conducted two nationwide surveys of loans outstanding — one as of October 5, 1955, the other as of October 16, 1957.[1] Based on the information revealed by these two surveys, this article presents a broad cross-section of Twelfth District data, and makes some comparisons between these changes and those which have taken place in other Federal Reserve Districts.

Table 1 shows the changes between the two surveys in business loans to small, medium, and large business in each of the Federal Reserve Districts. The Twelfth District is distinguished by the greatest percentage increase in total loans, reflecting in part rapid industrial expansion in the Far West from 1955 to 1957. The gain experienced in loans to large business in this district was not so striking as the increase in loans to small and medium size borrowers.

Which lines of business obtained most of the loan expansion in the Twelfth District compared with other areas of the United States? Table 2 reveals that the greatest District expansion occurred in the business category labeled "all other manufacturing and mining,"[2] whereas "metals and metal products" experienced the largest growth in the nation. The latter category showed a considerable gain in the District as well, and in both cases this growth mirrors the capital goods boom of 1955-57. The only declines appear in the "textile, apparel, and leather" group, which was generally weak during the period. Although the District reduction in amounts outstanding to this group exceeded that of the nation, the share of credit outstanding to these producers in the District is much smaller than their shares in other districts.

The total increase in loans from 1955 to 1957 varied considerably among banks of different sizes. In fact, the smallest banks in this district (those with total deposits of less than $10 million) actually experienced a decline in business loans outstanding, as Table 3 shows. On the other hand, the largest percentage increases in these loans were registered by banks of intermediate size ($20-250 million in total deposits) although the largest banks had substantial gains also. The one exception occurs in loans to large business by banks with total deposits of $250-500 million, where a considerable decline occurred.

TABLE 1

REGIONAL CHANGE IN BUSINESS LOANS OF MEMBER BANKS, 1955-57

(Percent increase or decrease in amounts outstanding)

Federal Reserve District	All Borrowers[1]	Relative Size of Borrower		
		Small	Medium	Large
All Districts	31.9	10.6	28.0	50.7
Boston	20.1	.1	23.8	36.8
New York	35.8	.6	28.5	55.0
Philadelphia	17.7	9.8	16.8	18.4
Cleveland	43.4	22.4	40.8	65.1
Richmond	20.8	6.7	24.1	32.1
Atlanta	26.5	18.2	26.1	51.1
Chicago	35.0	11.3	22.7	59.9
St. Louis	16.1	—15.6	2.4	33.3
Minneapolis	20.5	2.1	35.3	11.6
Kansas City	17.7	17.2	16.2	29.5
Dallas	10.4	— 7.6	17.0	21.1
San Francisco	50.6	46.1	52.1	61.0

[1] Includes a small amount of loans for borrowers whose size was not ascertained.

Source: Board of Governors of the Federal Reserve System, "Member Bank Lending to Small Business, 1955-57," *Federal Reserve Bulletin*, April 1958, p. 405. (For classification of borrowers by relative size, see Appendix A, p. 409.)

[1] This is the second *Monthly Review* article based on the two surveys. The first contained broad conclusions regarding the impact of monetary restraint on the cost and distribution of credit as between small and large business. See "Monetary Restraint and Business Loans in the Twelfth District, 1955-57," Federal Reserve Bank of San Francisco *Monthly Review*, May 1958.

[2] This includes such groups as lumber and wood products, furniture and fixtures, paper and allied products, printing and publishing, and scientific instruments.

TABLE 2

BUSINESS LOANS OF MEMBER BANKS IN THE TWELFTH DISTRICT AND THE UNITED STATES BY BUSINESS OF BORROWER, 1955 and 1957

BUSINESS OF BORROWER	Twelfth District: Millions of Dollars 1955	1957	Percent Distribution 1955	1957	Percent Change 1955-57	United States: Billions of Dollars 1955	1957	Percent Distribution 1955	1957	Percent Change 1955-57
All Businesses	3,527	5,411	100.0	100.0	53.4	30.8	40.6	100.0	100.0	31.9
Manufacturing and Mining										
Food, liquor, tobacco	299	471	8.5	8.7	57.6	1.9	2.4	6.1	5.9	28.0
Textiles, apparel, leather	50	36	1.4	0.7	— 28.4	1.7	1.7	5.6	4.1	— 3.1
Metals and metal products	356	645	10.1	11.9	81.2	3.2	5.5	10.5	13.6	70.5
Petroleum, coal, chemicals, rubber	143	244	4.1	4.5	70.8	2.6	3.8	8.5	9.2	44.1
All other manufacturing and mining	295	636	8.3	11.8	115.3	1.9	2.8	6.2	6.9	47.2
Trade										
Wholesale	470	510	13.3	9.4	8.5	2.4	3.0	7.8	7.3	24.7
Retail	539	789	15.3	14.6	46.5	3.4	4.6	11.2	11.3	33.2
Other										
Commodity dealers	64	95	1.8	1.8	48.8	0.7	0.8	2.4	2.0	10.7
Sales finance companies	199	215	5.7	4.0	8.3	2.8	3.1	9.2	7.6	9.3
Transportation, communication, and public utilities	233	337	6.6	6.2	44.6	2.8	4.2	9.2	10.3	47.0
Construction	181	265	5.1	4.9	46.4	1.7	2.0	5.5	4.9	17.1
Real estate	300	508	8.5	9.4	69.3	2.4	3.0	7.9	7.3	22.5
Services	248	391	7.0	7.2	57.6	1.8	2.3	5.7	5.6	28.3
All other nonfinancial	151	269	4.3	4.9	78.2	1.3	1.6	4.3	4.0	20.4

Note: Details may not add to totals because of rounding.

In general, the smallest District banks also had the smallest percentage rise in interest rates. (Table 4) Otherwise, all sizes of banks increased their rates more for large borrowers than for small ones.

Table 5 provides additional information about bank lending in the Twelfth District during the period of monetary restraint from 1955 to 1957. Evidently banks did not give great preference to the corporate form of

TABLE 3

BUSINESS LOANS OF TWELFTH DISTRICT MEMBER BANKS BY SIZE OF BORROWER AND SIZE OF BANK, 1955 AND 1957

(Amounts outstanding in millions of dollars)

SIZE OF BANK (Total deposits in millions of dollars)	Size of Borrower[1] (Total assets, in thousands of dollars): Less than 250 1955	1957	Percent change 1955-57	250-5,000 1955	1957	Percent change 1955-57	5,000 and over 1955	1957	Percent change 1955-57
Less than 2	1.8	1.3	—26.3	0.2	*	*	*	*	*
2— 10	36.4	27.7	—23.8	14.1	7.4	—47.1	0.3	*	*
10— 20	37.6	36.2	— 3.6	19.0	31.2	63.6	2.1	1.9	— 9.7
20— 50	38.3	38.4	0.2	36.3	51.9	42.8	1.5	4.6	214.9
50— 100	20.7	41.2	98.9	57.1	85.8	50.3	2.8	9.1	229.0
100— 250	99.9	116.3	16.4	120.3	229.6	90.8	48.7	79.4	63.1
250— 500	89.5	122.4	36.9	244.3	365.6	49.7	170.4	133.5	— 21.7
500—1,000	180.6	183.4	1.5	350.0	552.7	57.9	177.2	264.7	49.4
1,000 and over	373.8	472.4	26.4	661.0	1,138.1	72.2	740.3	1,415.4	91.2
All banks	878.6	1,039.5	18.3	1,502.4	2,462.3	63.9	1,143.3	1,908.7	67.0

[1] The three sizes of borrower categories in Table 3 do not correspond to the small, medium, and large classification in Table 1, which were designated on the basis of relative sizes in the various industries.
*Indicates less than $50,000 outstanding.

TABLE 4

INTEREST RATES OF TWELFTH DISTRICT MEMBER BANK BUSINESS LOANS BY SIZE OF BORROWER AND SIZE OF BANK, 1955 AND 1957

SIZE OF BANK (Total deposits in millions of dollars)	SIZE OF BORROWER (Total assets, in thousands of dollars): Less than 250, 1955	Less than 250, 1957	Percent change 1955-57	250-5,000, 1955	250-5,000, 1957	Percent change 1955-57	5,000 and over, 1955	5,000 and over, 1957	Percent change 1955-57
Less than 2	6.33	7.23	14.2	7.54	*	*	*	*	*
2— 10	5.87	6.01	2.4	5.18	5.68	9.7	4.03	*	*
10— 20	5.86	6.55	11.8	5.50	5.65	2.7	4.67	4.02	—13.9
20— 50	5.69	5.99	5.3	5.30	5.58	5.3	3.53	4.87	38.0
50— 100	5.42	6.19	14.2	5.02	5.69	13.4	3.93	4.82	22.7
100— 250	5.58	6.30	12.9	4.73	5.44	15.0	3.30	4.57	38.5
250— 500	5.51	6.19	12.3	4.58	5.52	20.5	3.73	4.62	23.9
500—1,000	5.58	5.94	6.5	4.69	5.39	14.9	3.58	4.53	26.5
1,000 and over	5.72	6.48	13.3	4.95	5.68	14.8	3.89	4.63	19.0
All banks	5.66	6.29	11.1	4.83	5.58	15.5	3.79	4.61	21.6

*Indicates no comparable interest rate.

business organization during this period, since corporations received only a slightly greater amount of loans than did noncorporate business. The percentage increases in the dollar amount of secured and unsecured loans for all size groups of business do not indicate a preference by bankers for either type of loan; there was an almost equal percentage advance in both. However, there was a much greater increase in the number of secured loans, which seems to indicate that most of the new loans made during the period were secured ones. Long-term loans showed a larger increase than short-term loans, both in number and amount. The correspondence in relative gain of both secured and long-term loans is not surprising, since long-term loans are generally secured.

Long-term borrowing, as shown in Table 6, did not grow by so much as to force interest rates up to the level of short-term loans. The large increase in long-term borrowing is as-

TABLE 5

BUSINESS LOANS OUTSTANDING AT TWELFTH DISTRICT MEMBER BANKS BY INCORPORATION, SECURITY, AND MATURITY, 1955 AND 1957

	ALL BORROWERS: Number (in thousands) 1955	Number (in thousands) 1957	Percent change 1955-57	Amounts outstanding (in billions of dollars) 1955	Amounts outstanding (in billions of dollars) 1957	Percent change 1955-57
Corporate or Noncorporate						
Corporate	31.4	44.1	40.4	2.5	3.9	53.8
Noncorporate	120.0	151.4	26.2	1.0	1.6	52.4
Secured or Unsecured						
Secured	56.1	120.0	113.7	2.0	3.1	53.7
Unsecured	61.1	75.6	23.8	1.5	2.3	53.0
Maturity of Loans						
Short-term (one year or less)	90.1	106.6	18.3	2.2	3.3	47.6
Long-term (over one year)	61.3	88.9	45.1	1.3	2.1	63.3

sociated with the fact that business usually borrows on a long-term basis for expansion of plant and equipment, which was widespread during the period under review. Moreover, the unusually high bond rates prevailing during the latter part of the 1955-57 period probably encouraged intermediate-term bank borrowing, in the hope that this credit could later be converted to long-term borrowing in the capital market on more favorable terms.

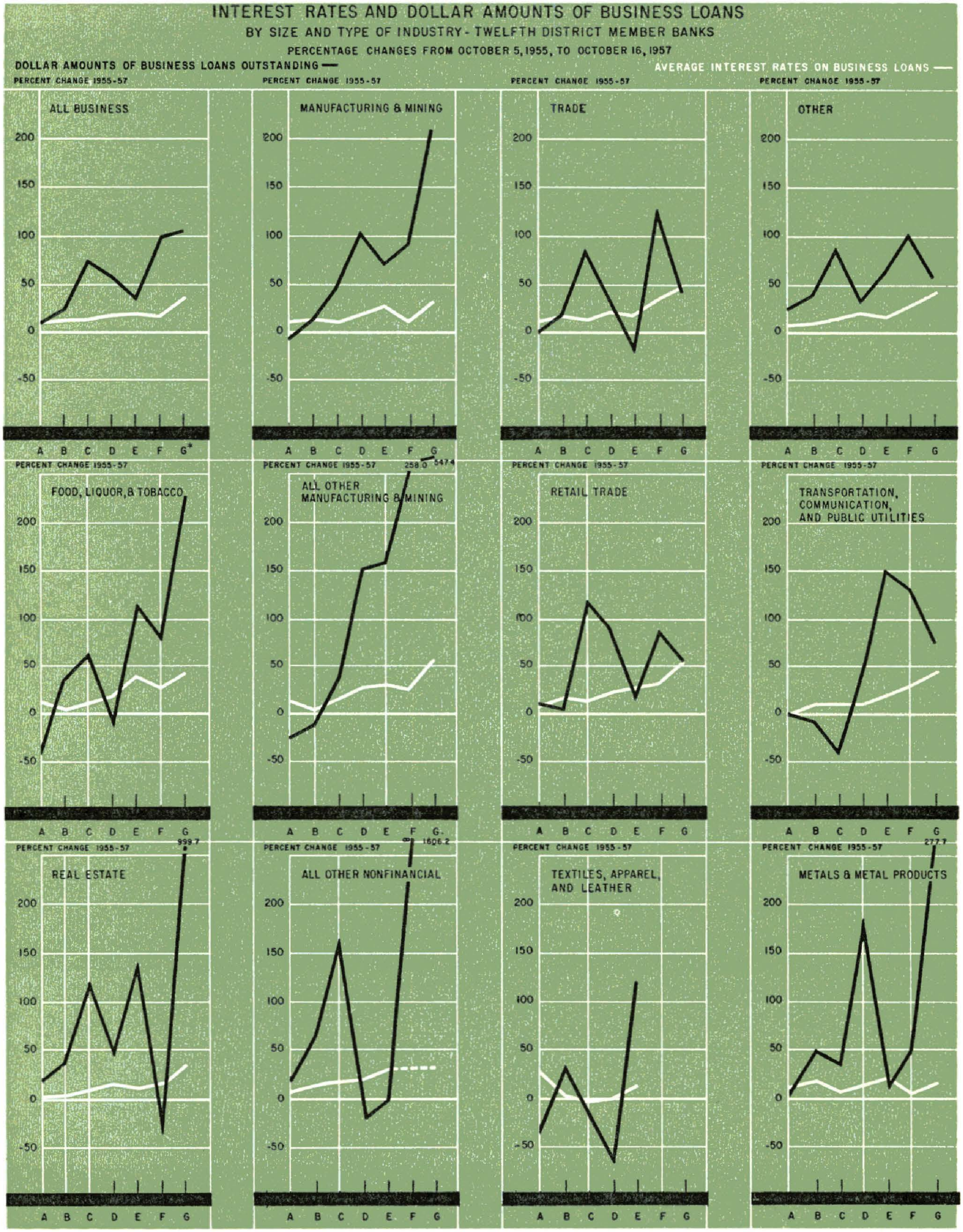
The accompanying set of charts shows the percentage changes between the two surveys in both the dollar amount of Twelfth District business loans and interest rates by industry and size of business. The vertical lines, corresponding to certain size groups on each industry chart, represent the division between small, medium, and large business.[1] What general information can be drawn from these charts? In most of the industries medium and large business generally experienced a greater percentage increase in dollar amount of loans outstanding than did small business. The most striking exception appears to be the group labeled "petroleum, coal, chemicals, and rubber," in which large increases were registered in the less than $50,000 and the $1-5 million size classes. (Both classes are defined as small business in this particular industry.) In addition, the larger of the small sales finance companies, as well as of the metals and metal products companies, fared relatively well. In every industry, percentage changes in amounts outstanding between the surveys exceeded those in interest rates. Actually, the interest rate line would be slightly different if the composition of borrowers had not changed between the two surveys. For example, if bank lenders weeded out the small marginal borrower dur-

[1] A discussion of the criteria used to arrive at definitions of small, medium, and large business in the various industry categories may be found in: U. S., Congress, *Financing Small Business, Report to the Committees on Banking and Currency and the Select Committees on Small Business by the Federal Reserve System,* Parts 1 and 2, 85th Cong., 2nd Sess., April 11, 1958, pp. 150-171.

TABLE 6

INTEREST RATES ON TWELFTH DISTRICT MEMBER BANK LOANS TO BUSINESS BY BUSINESS OF BORROWER AND MATURITY OF LOAN, 1955 AND 1957

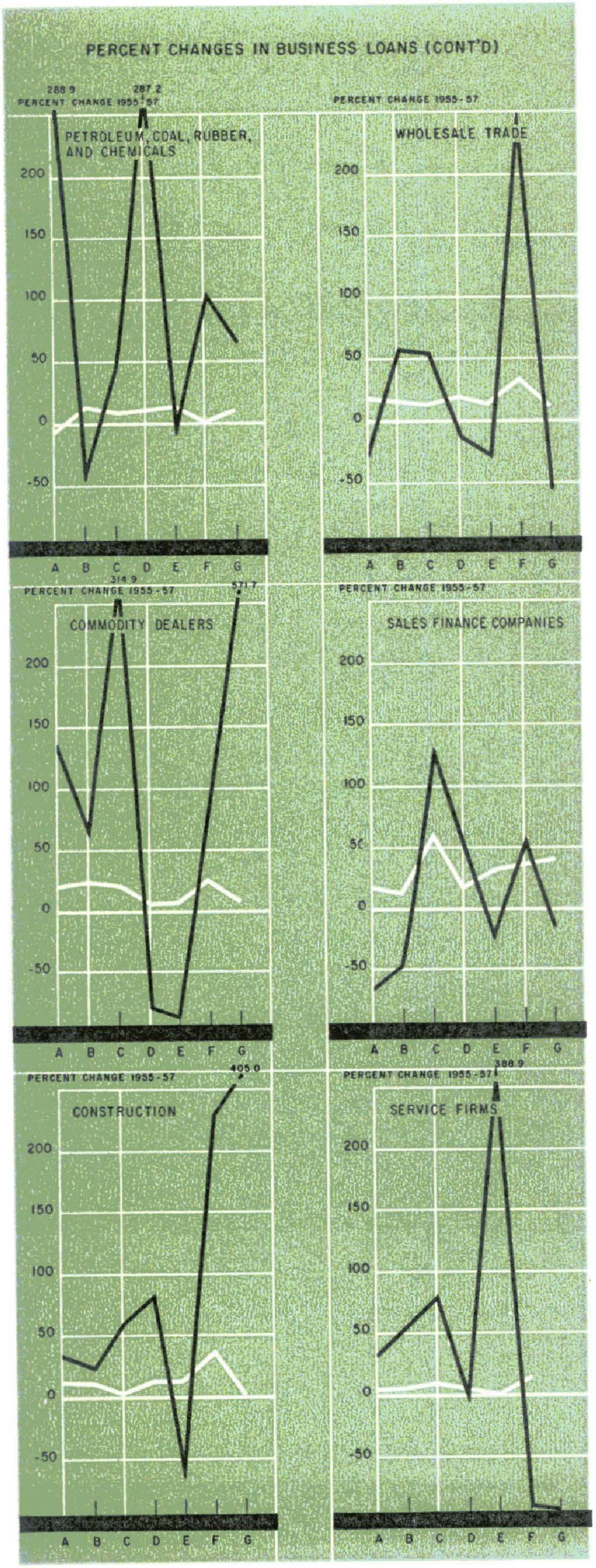
	Short-term (one year or less)			Long-term (over one year)		
BUSINESS OF BORROWER	1955	1957	Percent change 1955-57	1955	1957	Percent change 1955-57
Manufacturing and Mining						
Food, liquor, tobacco	4.34	5.39	24.2	4.97	4.98	0.2
Textiles, apparel, leather	5.29	5.63	6.4	4.84	6.11	26.2
Metals and metal products	4.75	5.06	6.5	4.83	5.73	18.6
Petroleum, coal, chemicals, and rubber	4.17	5.11	22.5	3.88	3.96	2.1
All other manufacturing and mining	4.65	5.45	17.2	4.78	5.08	6.3
Trade						
Wholesale	4.83	5.64	16.8	4.72	5.71	21.0
Retail	4.65	5.35	15.1	5.10	6.10	19.6
Other						
Commodity dealers	4.32	5.37	24.3	4.48	5.56	24.1
Sales finance companies	3.68	5.17	40.5	4.63	5.61	21.2
Transportation, communication, and other public utilities	3.66	4.77	30.3	4.57	4.96	8.5
Construction	5.06	5.57	10.1	5.79	6.09	5.2
Real estate	4.58	5.26	14.8	4.92	5.20	5.7
Service firms	5.16	5.45	5.6	5.66	5.92	4.6
All other nonfinancial	4.47	5.49	22.8	5.21	5.67	8.8



*Total assets of borrower:

A less than $50,000
B $50,000-250,000
C $250,000-1,000,000
D $1,000,000-5,000,000
E $5,000,000-25,000,000
F $25,000,000-100,000,000
G $100,000,000 and over

Vertical divisions in charts separate business into small, medium, and large categories, which vary by industry. In all charts with only one vertical division, the small category is under $50,000.



ing the tight money period, the resulting upgrading of loan quality among small borrowers would render unnecessary increases in interest rates as great as those for large borrowers. From this point of view, it appears that the advantage of relatively smaller increases in interest rates accruing to small borrowers was gained at the cost of a smaller advance in the dollar amount of loans.

There are some general reasons, disclosed by the Federal Reserve's interviews with bankers and businessmen, for supposing that the demand for credit increased more among larger businesses. Larger businesses extended more trade credit to their smaller customers and therefore needed more credit themselves. Moreover, some small businesses may have been at a competitive disadvantage and thus were not so favorably situated to demand and use as much additional bank credit as large business. This last factor may cut two ways, since a competitive disadvantage can not only curb the demand for credit but can also lead to a restriction of the supply by banks—where the element of risk is extremely important in the process of lending.

In summary, it appears that both demand and supply factors were responsible for the relatively greater increase in credit to medium and large businesses during the 1955-57 period of monetary restraint; that small business expanded its bank indebtedness more in the Twelfth than in any other district; that the smallest banks (those with total deposits under $10 million) showed a decline in their business loans outstanding; that the capital goods boom was reflected by greater increases in bank lending to the industries involved; and that long-term lending grew relatively faster than short-term lending.

Review of Business Conditions

NATIONAL business activity rose more than seasonally during May and early June. Although this development suggests that the decline in activity is being reversed, optimism should be tempered. Improvements thus far in employment, business sales, construction, and other indicators contrast with declines in many of these measures only a few months ago, but the degree of strength in most of these indicators is not conclusive evidence of a continuing upturn.

Industrial production rose four index points during May and June, to 130 percent of the 1947-49 average (seasonally adjusted) in the latter month. Most of the gain occurred in the production of durable goods, although output of most types of nondurable goods and minerals was also higher. Both automobile assemblies and steel output rose sharply through most of the period, but production declines were scheduled in these industries for late June and early July. Sales and new order inflows of manufacturers during May showed moderate increases after seasonal adjustment and all of the improvement occurred among durable goods producers. Unfilled order backlogs at the end of May were about 1 percent below the April level, however. New construction put in place fell slightly during May, but rose a little more than seasonally during June. Private housing starts increased to a seasonally adjusted annual rate of 1,010,000 dwelling units in May, compared with 950,000 units in April. Construction contracts awarded during May, as reported by the F. W. Dodge Corporation, rose from the improved April level and were slightly above the total for May 1957. Heavy construction awards showed marked improvement in both May and June. Retail sales changed very little during May and June after increasing in April, but sales by automobile dealers showed a less than seasonal rise in June following advances in April and May. Recent data on total manufacturing and trade inventories point to an improved relationship to current sales, although it appears that stocks still remain above desired levels. Total inventories have been reduced by an average of about $800 million per month in the first five months of 1958.

Personal income has been rising since March and recorded a substantial gain in May. Most significant during the month was the reversal in wage and salary payments, which rose for the first time since last August, and accounted for a little over half the $1.3 billion total increase in personal income. Recent Federal salary increases are augmenting the flow of wage and salary payments in June and July.

Changes in employment and unemployment were also generally favorable in May and June. Nonfarm jobs rose more than seasonally during both months. Unemployment was reduced to 6.8 percent of the labor force by mid-June (after seasonal adjustment). Despite the improvements, however, 1.5 million fewer persons held civilian jobs during June than in the same month a year ago, and unemployment was about 2.1 million persons higher. The rise in unemployment of approximately 600,000 persons in excess of actual civilian job losses over the year reflects a 200,000-man decrease in the size of the armed forces and a further addition of about 400,000 persons to the nation's work force resulting from continued growth in the working-age population.

While growth of the labor force continues, capital outlays to equip current and potential workers are being sharply curtailed. According to the most recent Department of Commerce-Securities and Exchange Commission survey, business firms in most industries continued to reduce their plant and equipment expenditures during the second quarter of

1958, and further reductions are scheduled for the balance of the year. Presumably, many of the anticipated cutbacks would be revised should the sales outlook improve substantially, but most observers foresee declining plant and equipment outlays well into 1959.

Government spending is presently rising, but some state and local governments are experiencing increased difficulty in finding funds to replace falling tax revenues. The upswing in Federal Government contracts, particularly for defense items, has not yet resulted in a significant increase in actual Federal cash outlays.

In summary, recent economic developments suggest that downward pressures of past months have abated. Personal income has risen for three months, consumer spending has been largely maintained, and there has been a slight upturn in employment. Government outlays continue to be expansionary, and a moderate recovery in construction activity is evident from recent increases in contract awards and housing starts. Moreover, manufacturers report improvement in sales and new orders. The extended decline in plant and equipment expenditures and the continuing liquidation of business inventories give a mixed tone to the overall economic situation. The national economy at present may be characterized as lacking in strong forces which point either toward a further sharp decline or to a speedy recovery.

District production improves moderately

A comparison with previous months shows that business developments in the Twelfth District during May and early June also improved. Seasonal outdoor activity expanded as operations were no longer hampered by weather. Some downward pressures continue to be apparent, but they have largely moderated, and several key District industries have shown renewed strength in the most recent period.

Lumber industry reports indicate some slight improvement in both production and new order inflows during May and early June. In addition, firms have maintained a better balance between production and demand this year, bringing inventories more into line. The plywood industry remains in an unsettled state due to current excess capacity, but plywood prices increased in June to $68 per thousand square feet of the basic grade, and several firms were reported as quoting a price of $72 per thousand square feet at the end of the month.

Twelfth District steel output rose further during May and most of June but declined slightly toward the end of the month. As in other sections of the nation, part of the increase during the period seems to have been the result of hedging against a steel price increase previously anticipated in early July.

The important fruit and vegetable canning industry in this district is entering the 1958-59 marketing season with significantly better prospects than a year ago. Inventories carried over from the previous season are generally not so burdensome as in 1956 or 1957. No major changes in the size of the total pack are foreseen for this year, and demand continues to be strong. The recent recovery in price of several important items is expected to be maintainable in coming months, so that there may be an improvement in the rather narrow profit margins of the past two years.

Housing records additional gain

Residential construction in the Twelfth District recorded an additional gain during May. Construction employment, in which the housing segment is the most changeable during short-run periods, rebounded to the May level of a year ago. In addition, the F. W. Dodge Corporation reports that residential construction contracts awarded during May exceeded the same month in both 1956 and 1957. Renewed lender interest in Federal Housing Administration and Veterans' Administration mortgages has given additional impetus to the housing revival. Nonresidential building awards dropped off from May 1957, however, after several months of favorable year-ago comparisons, and public works and utilities awards in this district still have not shown the recent strength evidenced by such awards in other parts of the nation.

Employment rises more than seasonally

The number of persons at work in nonfarm jobs in the Twelfth District rose slightly above seasonal expectations in May. The improvement was shared by all major types of industry except transportation, but the only exceptional gain occurred in construction employment. Compared with last year, nonfarm employment has dropped by about 135,000 persons, the largest job loss being recorded by commodity-producing industries. (Chart 1) Government employment showed the only sizable increase over the period—about 46,000 workers were added to government payrolls.

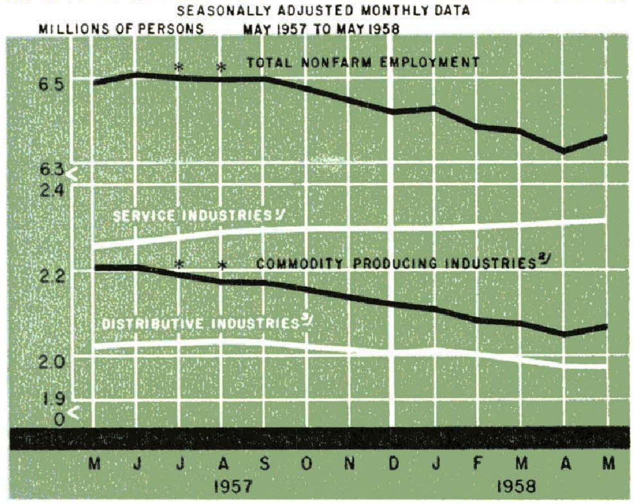
The gain in manufacturing employment during May was significant in that a series of uninterrupted declines extending back to mid-1957 had been reported by manufacturing firms. Changes within individual lines were generally small during the month; machinery and canning experienced the only sizable losses from April—1,700 and 3,100 workers respectively. The variability of harvest seasons suggests, however, that the decline in the latter industry is not significant. Moreover, these losses were more than offset by gains in apparel, lumber, and transportation equipment. The key aircraft industry has increased employment slightly over the past few months, as moderate job cutbacks at Southern California plants were exceeded by job expansions in other parts of the state and in Washington.

Despite the overall improvement in employment during May, continued growth in the civilian labor force resulted in a less than seasonal decline in unemployment. Unemployment in the three Pacific Coast states rose to 7.2 percent of the labor force after seasonal adjustment, compared with a rate of 7.1 percent in April. The number of persons in the Twelfth District drawing benefit checks under the various state and Federal unemployment insurance programs in May also failed to show a significant decline after seasonal adjustment. Insured unemployment continued to be particularly high in the Pacific Northwest, despite the increasing number of persons who have exhausted their eligibility for benefits.

CHART 1

NONFARM EMPLOYMENT IN TWELFTH DISTRICT STATES

SEASONALLY ADJUSTED MONTHLY DATA



[1] Finance, insurance, and real estate; services; Government.
[2] Manufacturing, mining, contract construction.
[3] Transportation, communication, and public utilities; wholesale and retail trade.
* Employment reduced significantly by labor disputes.
Source: State Employment Agencies, seasonal adjustments by Federal Reserve Bank of San Francisco.

BUSINESS INDEXES — TWELFTH DISTRICT[1]

(1947-49 average = 100)

Year and month	Industrial production (physical volume)[2] Lumber	Petroleum[3] Crude	Petroleum[3] Refined	Cement	Lead[3]	Copper[3]	Electric power	Total nonagricultural employment	Total mf'g employment	Carloadings (number)[3]	Dep't store sales (value)[2]	Retail food prices[3, 4]	Waterborne foreign trade[3, 5] Exports	Waterborne foreign trade[3, 5] Imports
1929	95	87	78	54	165	105	29	....	....	102	30	64	190	124
1933	40	52	50	27	72	17	26	....	....	52	18	42	110	72
1939	71	67	63	56	93	80	40	....	55	77	31	47	163	95
1949	100	99	103	100	101	93	108	99	97	94	98	100	85	121
1950	113	98	103	112	109	113	119	103	105	98	107	100	91	137
1951	113	106	112	128	89	115	136	112	120	100	112	113	186	157
1952	116	107	116	124	87	113	144	118	130	100	120	115	171	200
1953	118	109	122	130	77	111	161	121	137	100	122	113	140	308
1954	116	106	119	132	71	101	172	120	134	96	122	113	131	260
1955	124	106	122	145	75	118	192	127	143	104	132	112	164	308
1956	116	105	129	156	79	129	210	134	152	104	141	114	195	443
1957	106	101	132	149	77	126	224	138	157	96	141	118	230	575
1957														
May	108	101	138	157	83	126	229	138	158	99	141	117	283	698
June	109	101	131	152	78	130	239	139	159	100	148	118	252	511
July	103	101	133	162	69	113	238	138	159	94	141	118	188	770
August	104	101	137	160	75	115	233	138	158	97	144	119	210	572
September	101	102	135	169	75	127	217	138	156	93	141	119	173	607
October	101	101	132	161	76	126	223	138	155	84	134	119	199	684
November	102	101	131	146	63	125	222	137	152	95	139	118	210	582
December	99	101	124	139	62	125	216	137	151	93	139	119	178	610
1958														
January	106	100	122	135	62	123	223	137	150	94	132	121	163	393
February	104	97	114	112	64	125	221	136	149	86	135	121	...	358
March	101	95	119	112	60	123r	226	136	148	87	137	123	...	...
April	95	94	119	129	65	117	...	135	147r	87	142	125	...	...
May	102	93	124	...	...	...	...	135	147	90	142	124	...	...

BANKING AND CREDIT STATISTICS — TWELFTH DISTRICT

(amounts in millions of dollars)

Year and month	Condition items of all member banks[6] Loans and discounts	U.S. Gov't securities	Demand deposits adjusted[7]	Total time deposits	Bank rates on short-term business loans[8]	Member bank reserves and related items — Factors affecting reserves: Reserve bank credit[9]	Commercial[10]	Treasury[10]	Money in circulation[9]	Reserves[11]	Bank debits Index 31 cities[3, 12] (1947-49 = 100)[2]
1929	2,239	495	1,234	1,790	......	− 34	0	+ 23	− 6	175	42
1933	1,486	720	951	1,609	......	− 2	− 110	+ 150	− 18	185	18
1939	1,967	1,450	1,983	2,267	......	+ 2	− 192	+ 245	+ 31	584	30
1950	7,093	6,415	9,254	6,302	3.35	+ 39	−1,141	+1,198	− 14	2,026	115
1951	7,866	6,463	9,937	6,777	3.66	− 21	−1,582	+1,983	+ 189	2,269	132
1952	8,839	6,619	10,520	7,502	3.95	+ 7	−1,912	+2,265	+ 132	2,514	140
1953	9,220	6,639	10,515	7,997	4.14	− 14	−3,073	+3,158	+ 39	2,551	150
1954	9,418	7,942	11,196	8,699	4.09	+ 2	−2,448	+2,328	− 30	2,505	154
1955	11,124	7,239	11,864	9,120	4.10	+ 38	−2,685	+2,757	+ 100	2,530	172
1956	12,613	6,452	12,169	9,424	4.50	− 52	−3,259	+3,274	− 96	2,654	189
1957	13,178	6,619	11,870	10,679	4.97	+ 31	−4,164	+3,903	− 83	2,686	203
1957											
June	12,911	6,249	11,310	10,155	4.81	− 29	− 374	+ 402	+ 20	2,483	203
July	12,912	6,319	11,407	10,188	......	− 49	− 426	+ 320	+ 6	2,457	205
August	12,945	6,313	11,329	10,220	......	+ 50	− 175	+ 322	+ 39	2,592	197
September	13,178	6,293	11,561	10,301	5.21	− 109	− 424	+ 470	− 30	2,581	204
October	13,064	6,433	11,570	10,417	......	+ 76	− 322	+ 159	− 8	2,517	200
November	13,185	6,357	11,770	10,304	......	+ 14	− 298	+ 447	+ 37	2,652	202
December	13,178	6,619	11,870	10,679	5.13	− 18	− 454	+ 480	− 23	2,686	217
1958											
January	13,106	6,573	11,601	10,761	....	− 16	− 258	+ 180	− 137	2,662	211
February	13,002	6,884	11,305	10,992	......	+ 12	− 427	+ 298	+ 17	2,520	203
March	12,860	7,075	11,225	11,183	4.95	− 62	− 180	+ 253	+ 11	2,530	198
April	12,979	7,605	11,570	11,406	......	+ 43	− 391	+ 371	− 2	2,574	206
May	12,977	7,546	11,292	11,530	......	+ 11	− 203	+ 154	+ 90	2,456	193
June	13,197	7,632	11,278	11,724	......	− 59	− 409	+ 531	+ 22	2,494	212

[1] Adjusted for seasonal variation, except where indicated. Except for department store statistics, all indexes are based upon data from outside sources, as follows: lumber, California Redwood Association and U.S. Bureau of the Census; petroleum, cement, copper, and lead, U.S. Bureau of Mines; electric power, Federal Power Commission; nonagricultural and manufacturing employment, U.S. Bureau of Labor Statistics and cooperating state agencies; retail food prices, U.S. Bureau of Labor Statistics; carloadings, various railroads and railroad associations; and foreign trade, U.S. Bureau of the Census. [2] Daily average. [3] Not adjusted for seasonal variation. [4] Los Angeles, San Francisco, and Seattle indexes combined. [5] Commercial cargo only, in physical volume, for Los Angeles, San Francisco, San Diego, Oregon, and Washington customs districts; starting with July 1950, "special category" exports are excluded because of security reasons. [6] Annual figures are as of end of year, monthly figures as of last Wednesday in month. [7] Demand deposits, excluding interbank and U.S. Gov't deposits, less cash items in process of collection. Monthly data partly estimated. [8] Average rates on loans made in five major cities. [9] Changes from end of previous month or year. [10] Minus sign indicates flow of funds out of the District in the case of commercial operations, and excess of receipts over disbursements in the case of Treasury operations. [11] End of year and end of month figures. [12] Debits to total deposits except interbank prior to 1942. Debits to demand deposits except U.S. Government and interbank deposits from 1942. p—Preliminary. r—Revised.